



SUSTAINABILITY POLICIES

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SEP prides itself on practicing sustainable production methods, wherever possible. The brand's products are hand embroidered and predominately hand assembled, with limited usage of machinery.

SEP actively promotes recycling and upcycling through our use of recycled-based materials, and through fostering a culture of respect for the environment within the workplace.

Here follows the full content of the current SEP Sustainability Policies:

- **SEP ENVIRONMENTAL POLICY**
- **ENVIRONMENTAL AND ETHICAL CONDUCT CHARTER FOR SUPPLIERS**
- **SEP SOCIAL POLICY**

SEP ENVIRONMENTAL POLICY

Environmental responsibility is at the core of SEP's values. Environmental responsibility and reducing environmental impact is of crucial importance for SEP. SEP contributes to environmental protection in the communities and countries where we operate.

Environmental management is one of our highest business priorities and we are committed to:

- Conducting our operations in an environmentally sound manner by applying environmental management systems, in all our operations and by applying environmental principles, such as commitment to continual improvement, legal compliance and awareness training of employees
- Promoting environmental responsibility along the value chain by engaging with suppliers that are in line with our Environmental and Social Conduct Charter and by encouraging suppliers and sub-contractors to adopt international environmental standards
- Developing our manufacturing processes with a focus on energy and resource efficiency
- Developing products and systems which are resource efficient and facilitate use of renewable energy sources
- Requiring suppliers to have a water management policy, a fossil fuel management policy, and a robust health and safety policy
- Implementing strict recycling and waste reduction measures
- Using recycled or recyclable packaging
- Considering the life-cycle analysis during the development process of a product

The environmental policy is an integral part of SEP's commitment to environmental responsibility and ethical conduct. The policy is embedded in our strategies, processes and day-to-day business throughout the SEP organization.

ENVIRONMENTAL AND ETHICAL CONDUCT CHARTER FOR SUPPLIERS

Environmental responsibility and ethical conduct is a key commitment of SEP Jordan. Our suppliers are required to guarantee safe working conditions, treat workers with dignity and respect, act fairly and ethically, and use environmentally responsible practices wherever they produce resources for SEP Jordan. Suppliers are required to operate with respect for the principles incorporated in this Code of Conduct and in compliance with the applicable laws and regulations. As SEP Jordan wants to go beyond compliance with law, this Code of Conduct incorporates the principles included in recognised international standards. The following Code of Conduct incorporates the expectations for each supplier regarding labor and human rights, health and safety, environmental protection, ethics and management practices.

SEP Jordan requires its suppliers' compliance with the following code, and any violations of this Code could harm the business relationship with SEP Jordan, which could lead to termination. This Code of Conduct applies to the SEP Jordan's direct suppliers as well as their subsidiaries, affiliates, and subcontractors providing goods or services to SEP.

Labour and Human Rights

This code serves to ensure that all workers throughout the supply chain of SEP Jordan are treated in a fair and ethical way. All workers shall be treated with dignity and respect, while respecting human rights to its highest standard.

Anti-Discrimination

SEP shall not discriminate against any worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, or union membership, in hiring and other employment practices. SEP shall not require pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety, and shall not improperly discriminate based on test results.

Anti-Harassment and Abuse

SEP shall commit to a workplace free of harassment and abuse. SEP shall not threaten workers with, or subject them to, harsh or inhumane treatment.

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Prevention of Involuntary Labor and Human Trafficking

SEP shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

SEP shall not withhold workers' original government-issued identification and travel documents. Supplier shall ensure that workers' contracts clearly convey the conditions of employment in a language understood by the workers. Supplier shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities.

SEP shall ensure that the third-party recruitment agencies it uses are compliant with the provisions of this Code and the law. Suppliers recruiting foreign contract workers either directly or through third party agencies shall be responsible for payment of all fees and expenses in excess of one month of the worker's anticipated net wages.

Prevention of Underage Labour

SEP shall employ only workers who are at least 15 years of age or the applicable minimum legal age, whichever is higher. SEP may provide legitimate workplace apprenticeship programs for educational benefit that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

Juvenile Worker Protections

SEP may employ juveniles who are older than the applicable legal minimum age but are younger than 18 years of age, provided they do not perform work that might jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138. Supplier shall not require juvenile workers to work overtime or perform night work.

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Student Worker Protections

SEP shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. SEP shall provide appropriate support and training to all student workers.

Working Hours

A workweek shall be restricted to 48 hours, including overtime, and workers shall take at least one day off every seven days except in emergencies or unusual situations. SEP shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary.

Wages and Benefits

SEP shall ensure that all workers receive at least the legally mandated minimum wages and benefits. SEP shall offer vacation time, leave periods, and time off for legally recognized holidays.

SEP shall compensate workers for overtime hours at the legal premium rate. SEP shall communicate pay structure and pay periods to all workers. SEP shall pay accurate wages in a timely manner, and wage deductions shall not be used as a disciplinary measure.

Freedom of Association and Collective Bargaining

As legally permitted, Supplier shall freely allow workers to associate with others, form, and join (or refrain from joining) organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment. In the absence of formal representation, SEP shall ensure that workers have a mechanism to report grievances and that facilitates open communication between management and workers.

Health and Safety

SEP puts emphasis on workers' health and safety. Workers shall be guaranteed a safe work environment and the supplier shall integrate robust health and safety management practices.

Workers shall have the right to refuse unsafe work and to report unhealthy working conditions.

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Occupational Health, Safety, and Hazard Prevention

SEP shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, engineering controls, and/or administrative controls. SEP shall provide workers with job-related, appropriately maintained personal protective equipment and instruction on its proper use.

Emergency Prevention, Preparedness, and Response

SEP shall identify and assess potential emergency situations. For each situation, SEP shall develop and implement emergency plans and response procedures that minimize harm to life, environment, and property.

Incident Management

SEP shall have a system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports. SEP shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers' return to work.

Ergonomics

SEP shall identify, evaluate, and control worker exposure to tasks that pose ergonomic risk such as excessive force, improper lifting positions, or repetitiveness. SEP shall integrate this process into the qualification of all new or modified production lines, equipment, tools, and workstations.

Working and Living Conditions

SEP shall provide workers with reasonably accessible and clean toilet facilities and potable water. SEP-provided dining, food preparation, and storage facilities shall be sanitary. Worker dormitories provided by SEP or a third-party shall be clean and safe and provide reasonable living space.

Health and Safety Communication

SEP shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility.

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Worker Health and Safety Committees

SEP is encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input on, and participation in, health and safety issues in the workplace.

Environment

Protecting the planet and environmental responsibility is at the core of the values of SEP. All shall develop, implement, and engage in environmentally responsible business practices.

Hazardous Substance Management and Restriction

Supplier shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle hazardous substances. Supplier shall comply with SEP's Regulated Substances Specification for all goods it manufactures for and provides to SEP.

Non-Hazardous Waste Management

SEP shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle non-hazardous waste.

Wastewater Management

SEP shall implement a systematic approach to identify, control, and reduce wastewater produced by its operations. SEP shall conduct routine monitoring of the performance of its wastewater treatment systems.

Storm water Management

SEP shall implement a systematic approach to prevent contamination of storm water runoff. SEP shall prevent illegal discharges and spills from entering storm drains.

Air Emissions Management

SEP shall identify, manage, reduce, and responsibly control air emissions emanating from its operations that pose a hazard to the environment. Supplier shall conduct routine monitoring of the performance of its air emission control systems.

Boundary Noise

SEP shall identify, control, monitor, and reduce noise generated by the facility that affects boundary noise levels

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Environmental Permits and Reporting

SEP shall obtain, keep current, and comply with all required environmental permits. SEP shall comply with the reporting requirements of applicable permits and regulations.

Pollution Prevention and Resource Reduction

SEP shall reduce energy, water, and natural resource consumption by implementing conservation and substitution measures. SEP shall minimize hazardous substances consumption by implementing reduction and substitution measures.

Ethics

SEP expects the highest standards of ethical conduct from its suppliers in every aspect of its business, including relationships, practices, sourcing, and operations.

Business Integrity

SEP shall not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Supplier shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions.

Disclosure of Information

SEP shall accurately record information regarding its business activities, labor, health and safety, and environmental practices and shall disclose such information, without falsification or misrepresentation, to all appropriate parties.

Protection of Intellectual Property

SEP shall respect intellectual property rights and safeguard customer information. Supplier shall manage technology and know-how in a manner that protects intellectual property rights.

Anonymous Complaints

SEP shall provide an anonymous complaint mechanism for managers and workers to report workplace grievances.

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Community Engagement

SEP is encouraged to help foster social and economic development and contribute to the sustainability of the communities in which it operates.

Management Commitment

SEP believes that a robust management system and commitment lead to enriching the social and environmental well-being of the supply chain. SEP holds its suppliers accountable to this Code and the supplier shall implement or maintain, as applicable, a management system that facilitates compliance with this Code, while ensuring continuous improvement.

Company Statement

SEP shall develop a company statement affirming its commitment to high standards of social and environmental responsibility, ethical conduct, and continuous improvement. SEP shall post this statement in the primary local language at all of its facilities.

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Management Accountability and Responsibility

SEP shall identify company representatives responsible for ensuring implementation and periodic review of its management systems. SEP shall have a Corporate Social Responsibility (CSR) or Sustainability representative that reports directly to executive management and has the responsibility and authority to manage social and environmental compliance requirements for the business.

Risk Assessment and Management

SEP shall develop and maintain a process to identify labor and human rights, health and safety, environmental, business ethics, and legal compliance risks associated with its operations; determine the relative significance of each risk; and implement appropriate procedures and controls to control the identified risks.

Performance Objectives with Implementation Plans and Measures

SEP shall have written standards, performance objectives, targets, and implementation plans, including periodic assessments of the performance against those objectives.

Audits and Assessments

SEP shall perform periodic evaluations of its facilities and operations, and the facilities and operations of its subcontractors and next-tier suppliers to ensure compliance with this Code and the law.

Documentation and Records

SEP shall have processes to identify, understand, and implement applicable laws and regulations and requirements of this Code. SEP shall maintain documents and records to ensure regulatory compliance.

Training and Communication

SEP shall develop and maintain management and worker training programs to facilitate proper implementation of its policies and procedures and to fulfill SEP's continuous improvement objectives.

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SEP shall have a process for communicating clear and accurate information about its performance, practices, policies, and expectations to its workers, next-tier supplier(s), and customers.

SEP shall have an ongoing process to obtain feedback on its practices related to this Code and to foster continuous improvement.

Corrective Action Process

SEP shall have a process for timely correction of any deficiencies or violations identified by an internal or external audit, assessment, inspection, investigation, or review.

**WE PAY ATTENTION
TO DETAIL: THAT IS
HOW YOU CREATE
ACCESSORIES THAT
GET THE WORLD TO
PAY ATTENTION.**

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SEP SUPPLIERS

Mainly based in the Tuscany, Puglia, and Umbria regions of Italy, our suppliers are small businesses, proud to weave exclusive fabrics that serve as the canvas for the skilled SEP Artists.

All our suppliers have implemented Codes of Ethics and we visit them to learn about their production standards, whenever possible.

Cashmere:

SEP work with a family-owned fabric mill, which champion a technique called “Rasato Evanescente” to weave our amazingly soft, fluffy and warm scarves. This weaving technique allows for the fabrics to remain warm, yet lightweight. SEP Artists masterfully embroider this material while maintaining these fabrics’ unique traits, in the full respect of the environment.

Our supplier uses Cariaggi yarns for the SEP scarves. Some of the Cariaggi farms are located in the Marche Region, in the province of Pesaro-Urbino, close to the enchanting Montefeltro area. A historic region, which in ancient times linked Europe and northern Italy with Rome and the Mediterranean, it is an area of vitality, enjoying some of the best weather Italy has to offer and providing fantastic conditions for cashmere goats to live a full and pleasant life.

Bales of raw cashmere fibers, called “flock,” are gathered for processing. Cariaggi selects only the finest fibers from the happiest of goats, which translates to incredibly soft and luxurious pieces. In 2015 Cariaggi started the Organic Cashmere project: a farm located in a specific unspoiled area of Inner Mongolia was entrusted to a family of shepherds who take care of a limited group of Hircus Laniger goats that freely graze in the vast surrounding territory.

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The project foresees that the entire life cycle of the animal and the territory where he lives are constantly monitored, documenting the entire process for creating the cashmere fiber, the protection of the territory, and the welfare of animals and shepherds as evidence of the company’s ability to safeguard the places of origin of the raw material. In 2006, Cariaggi achieved a series of international standard requirements concerning the company’s eco management, reaching the Systema Natvrae® certification. This certification is in line with the spirit of safeguarding and care for the environment which is such an outstanding element of Cariaggi’s philosophy. The company maintains a commitment to environmental programs and measures to reduce its impact on the environment, a reduction of about 40% of energy consumption per unit of product produced, a reduction of approximately 10% of water and a reduction of approximately 23% for carbon dioxide (CO2).



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Keffiyeh scarves:

As of 2022, our cotton keffiyeh has been made in Pakistan by a long-standing keffiyeh manufacturer who signed our Supplier Code of Conduct and who worked with us tirelessly to develop new designs.

The supplier of SEP's poly & acrylic keffiyeh scarves is one of the last existing Jordan-based manufacturers. They employ refugees and professionals with disabilities and provide them with a safe working environment near Amman. We will work with both suppliers to deliver a high quality fashion product, with superior performance in all seasons.



Hoodies:

Made in Portugal for SEP by one of the suppliers to the world's top fashion brands, our hoodies are made of 100% organic cotton, GOTS certified. The comfortable, unisex cut and its sustainable fabric hand-embroidered with love in Jerash camp make this a timeless classic, to be worn all year on all occasions.



Table linens:

We discovered a wonderful Lithuanian company that has a respected tradition of linen growing, weaving, stone-washing and softening linen. From their website: "Growing of flax is a very sustainable process. Flax is grown with far less water and pesticide than cotton. Flax, the plant from which linen fabric is made, is also extremely versatile. Nothing from the plant is wasted. Traditionally, flax has been used to produce linen fabrics, linseed oil, twines, ropes and even briquettes for heating. Flax, if untreated with dye, is fully biodegradable. We are paying tribute to harmless flax cultivating and have created our own "Sustainable production and work policy": The lowest possible CO2 footprint – almost all our fabrics are woven in Lithuania and surrounding countries. Finishing, sewing and other processes are made within 100 km from our warehouse, production facility and head office. It means there is a reduction in CO2 emitted during the production's moving around".

Some of our home linens and of pret-a-porter collections are made in Puglia, by a small, lean and efficient family-owned weaving company.

Jackets:

Made in Turkey for SEP by one of the suppliers to the world's top fashion brands, our jackets shells are made of organically-dyed cotton. The removable lining is made of polyester, to protect the body temperature in cold weather. We designed a long-lasting jacket you will be wearing in spring, autumn and winter alike.





SEP & THE SDGs

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In addition to being social-impact minded, business focused, and cross-cultural, SEP Jordan is proud to be an eco-minded brand. SEP Jordan is proud to advance the UN's Sustainable Development Goals, specifically:



What is an SDG? The Sustainable Development Goals are a “blueprint to achieve a better and more sustainable future for all.” They were set in 2015 by the United Nations General Assembly and intended to be achieved by the year 2030. We have 10 years to achieve them: time flies!

The 17 SDGs are integrated — that is, they recognise that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

Through the pledge to Leave No One Behind, countries have committed to fast-track progress for those furthest behind. This is why the SDGs are designed to bring the world to several life-changing ‘zeros’, including zero poverty, hunger, AIDS and discrimination against women and girls. SEP Jordan was founded in 2014. It is a beautiful coincidence that our business model was designed to be not only compliant with the SDG's, but to directly advance at least 6 of the 17, with a clear and strong focus on:

SDG 1 No Poverty, SDG 3 Good Health & Wellbeing, and SDG 10 Reduced Inequalities.

SEP & THE SDGs



SDG1: END POVERTY IN ALL ITS FORMS EVERYWHERE

Eradicating poverty in all its forms remains one of the greatest challenges facing humanity. On a global level, we have witnessed a decline in extreme poverty from 15.7% in 2010 to 10% in 2015. However, the pace of global poverty reduction has been decelerating. UN reports and statistics had estimated that the global poverty rate in 2019 is at 8.2%. However, this estimate was projected before the worldwide COVID-19 health pandemic.

The UN Statistics Report 2020 on the advancements of SDGs goals, states:

- It is evident that women are disproportionately affected by the pandemic.
- Very young workers are more likely to be systematically exposed to poverty than adults. In 2019, 12.8% of workers between the ages of 15 and 24 lived in poverty, compared with 6.3% of workers over the age of 24, with the difference between youth and adult working poverty rates decreasing only marginally since 2000.
- These disparities are likely to be exacerbated by the COVID-19 crisis, which has already led to a sharp increase in unemployment and underemployment, a decline in labour income and job-quality challenges. (UN Report 2020)



SDG3 - ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

We have made great progress against several leading causes of death and disease. Life expectancy has increased dramatically; infant and maternal mortality rates have declined, we've turned the tide on HIV and malaria deaths have halved.

Good health is essential to sustainable development and the 2030 Agenda reflects the complexity and interconnectedness of the two. It takes into account widening economic and social inequalities, rapid urbanization, threats to the climate and the environment, the continuing burden of HIV and other infectious diseases, and emerging challenges such as noncommunicable diseases. Universal health coverage will be integral to achieving SDG 3, ending poverty and reducing inequalities. Emerging global health priorities not explicitly included in the SDGs, including antimicrobial resistance, also demand action. Source: UNDP

But the world is off-track to achieve the health-related SDGs. Progress has been uneven, both between and within countries. There's a 31-year gap between the countries with the shortest and longest life expectancies. And while some countries have made impressive gains, national averages hide that many are being left behind.



SDG10 - REDUCED INEQUALITIES

Income inequality is on the rise—the richest 10% have up to 40 percent of global income whereas the poorest 10% earn only between 2-7%. If we take into account population growth in developing countries, inequality has increased by 11%.

Income inequality has increased nearly everywhere in recent decades, but at different speeds. It's lowest in Europe and highest in the Middle East.

These widening disparities require sound policies to empower lower income earners, and to promote economic inclusion of all regardless of sex, race or ethnicity.

Income inequality requires global solutions. This involves improving the regulation and monitoring of financial markets and institutions, encouraging development assistance and foreign direct investment to regions where the need is greatest. Facilitating the safe migration and mobility of people is also key to bridging the widening divide. Source: UNDP



SEP JORDAN SOCIAL POLICY

SEP SOCIAL POLICY

Through this policy SEP can ensure that all humans involved in their operations are treated in a dignified and respectful way. This social policy draws on the following sources: the United Nations' Universal Declaration of Human Rights, the International Labor Organization's fundamental principles on rights at work, the OECD Guidelines for Multinational Enterprises.

1. Society

To contribute within the scope of our capabilities to improving economic, environmental and social conditions through open dialogue with stakeholders and through active participation in common efforts.

2. Human rights

To support and respect the protection of internationally proclaimed human rights. Employees and contractors engaged as security personnel shall observe international human rights norms in their work.

3. Children and young workers

To ensure that minors are properly protected; and as a fundamental principle, not to employ children or support the use of child labor, except as part of government-approved youth training schemes (such as work-experience programs).

4. Freedom of engagement

To require that all employees enter into employment with the company of their own free will; and not to apply any coercion when engaging employees or support any form of forced or compulsory labor.

5. Health and safety

To provide a safe and healthy working environment at all sites and facilities and to take adequate steps to prevent accidents and injury to health arising out of the course of work by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

6. Employee consultation and communication

To allow employees to point out areas of concern. To respect the right of all personnel to form and join trade unions of their choice and to bargain collectively. To ensure that representatives of personnel are not the subject of discrimination and that such representatives have access to their members in the workplace. To make sure, in any case of major layoffs, that a social benefits and guidance plan is in place, and already known to employees or their official representatives.

7. Equality of opportunity

To offer equality of opportunity to all employees and not to engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on ethnic and national origin, caste, religion, disability, sex, age, sexual orientation, union membership, or political affiliation.

8. Harassment and disciplinary practices

To counteract the use of mental or physical coercion, verbal abuse or corporal/hard-labor punishment; and not to allow behavior, including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative. To develop and maintain equitable procedures to deal with employee grievances and disciplinary practices.

9. Working hours

To comply with applicable laws and industry standards on working hours, including over-time, which shall not exceed maximum 48 hours per week.

10. Compensation

To ensure that wages paid meet or preferably exceed the legal or industry minimum standards and are always sufficient to meet basic needs of personnel and to provide some discretionary income. To ensure that wage and benefits composition are detailed clearly and regularly for workers, and that compensation is rendered in full compliance with all applicable laws and in a manner convenient to workers. To ensure that labor-only contracting arrangements and false apprenticeship schemes are not used to avoid fulfilling SEP obligations under applicable laws pertaining to labor and social security legislation and regulations.



Certified



Corporation

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